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A PROFESSIONAL CORPORATION
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1700 DALLAS BUILDING
DALLAS, TEXAS 75201
214/742-1700 TELEX 73-0051
TELECOPIER 214/745-5390

1601 ELM STREET, SUITE 700
THANKSGIVING TOWER
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NANCY E. WYMAN
TIMOTHY E. YOUNG
LYNDA ZIMMERMAN

OF COUNSEL
BRUCE A. HEITZ

*ADMITTED IN STATE OTHER THAN TEXAS

RECORDATION NO. 1 5108

DEC 2 1986 11:05 AM

INTERSTATE COMMERCE COMMISSION

December 1, 1986

PLEASE RESPOND TO DALLAS BUILDING

TELETYPE

745-5362

Date

File

ICC Washington, D. C.

Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue, NW
Washington, DC 20423-0999

VIA FEDERAL EXPRESS

Re: MBank Dallas, N.A./Midwest Propane Corporation

Dear Secretary:

I have enclosed an original and one copy of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Security Agreement dated October 9, 1986.

The names and address of the parties to the documents are as follows:

Debtor - Midwest Propane Corporation
P. O. Box 191
Kilgore, TX 75087

Secured Party - MBank Dallas, National Association
P. O. Box 225415
Dallas, TX 75265

A description of the equipment covered by the document follows:

Secretary
Interstate Commerce Commission
December 1, 1986
Page 2

BRKX#1	BRKX#14	BRKX#727
BRKX#2	BRKX#125	BRKX#737
BRKX#3	BRKX#126	BRKX#747
BRKX#4	BRKX#127	BRKX#767
BRKX#5	BRKX#128	BRKX#770
BRKX#6	BRKX#218	BRKX#771
BRKX#7	BRKX#221	BRKX#772
BRKX#8	BRKX#226	BRKX#773
BRKX#9	BRKX#232	BRKX#774
BRKX#10	BRKX#235	BRKX#775
BRKX#11	BRKX#707	BRKX#776
BRKX#12	BRKX#717	BRKX#778
BRKX#13,		

A fee of \$10.00 is enclosed.

Please return the original and any extra copies not needed by the Commission for recordation to the undersigned.

A short summary of the document to appear in the index follows:

Security Agreement dated October 9, 1986 between Midwest Propane Corporation, as Debtor, and MBank Dallas, National Association, as Secured Party, granting MBank Dallas, National Association a security interest in railroad tank cars, accessions, leases, lease agreements, mileage credits, products and proceeds, whether then owned or thereafter acquired by Midwest Propane Corporation.

Sincerely,

WINSTEAD, McGUIRE, SECHREST & MINICK,
P.C., Counsel for MBank Dallas,
National Association

By: Mark B. Knowles
Mark B. Knowles

MBK/wc
Enclosures

CC: Josiah Daniel, Esq.
Mr. L. Quincy McPherson
Ms. Martha Gentry

454:d112686a.30

Interstate Commerce Commission
Washington, D.C. 20423

12/2/86

OFFICE OF THE SECRETARY

Mark B. Knowles
Winstead, McGuire, Sechrest & Minick
1700 Dallas Building
Dallas, Texas 75201

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/2/86 at 11:05am, and assigned re-recording number(s). 15108

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

SECURITY AGREEMENT

This Security Agreement dated as of October 9, 1986, is by and between MIDWEST PROPANE CORPORATION, a Texas corporation (the "Debtor") whose address is P.O. Box 191, Kilgore, Texas 75087, and MBANK DALLAS, NATIONAL ASSOCIATION, a national banking association ("Secured Party") whose address is P.O. Box 225415, Dallas, Texas 75265.

R E C I T A L S:

A. Debtor desires to obtain extensions of credit from Secured Party.

B. Secured Party is unwilling to extend credit to Debtor unless Debtor enters into this Security Agreement.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

Security Interest

Section 1.01. Security Interest. Subject to the terms of this Security Agreement, Debtor hereby grants to Secured Party a security interest in the following property, whether now owned or hereafter acquired (such property being hereinafter sometimes called the "Collateral"):

(a) all of the railroad tank cars identified on Exhibit "A" attached hereto, together with all accessions and equipment appurtenant thereto (collectively, the "Equipment");

(b) all leases and rental agreements (the "Lease Agreements") now or hereafter existing on or in respect of the Equipment;

(c) all rights, powers, privileges, and other benefits of Debtor under the Lease Agreements, including but not limited to, Debtor's right to receive and collect all rentals, lease payments, liquidated damages, proceeds of sale, and other sums now or hereafter payable to or receivable by Debtor under or pursuant to the Lease Agreements;

(d) all mileage credits, excess mileage credits, and other sums now or hereafter payable to Debtor in respect of the Equipment;

(e) all products and proceeds of the foregoing, including, without limitation, insurance proceeds.

Section 1.02. Obligations. The Collateral shall secure the following obligations, indebtedness, and liabilities (all such obligations, indebtedness, and liabilities being hereinafter sometimes called the "Obligations"):

(a) the obligations and indebtedness of Debtor to Secured Party evidenced by that certain promissory note dated September 10, 1986, executed by Debtor and payable to the order of Secured Party in the principal amount of Three Million Five Hundred Eight Thousand Two Hundred Twenty-Three and No/100 Dollars (\$3,508,223.00);

(b) the obligations and indebtedness of Debtor to Secured Party evidenced by that certain promissory note dated October 9, 1986, executed by Debtor and payable to the order of Secured Party in the principal amount of Three Million Dollars (\$3,000,000.00);

(c) all future advances by Secured Party to Debtor;

(d) all costs and expenses, including without limitation all attorneys' fees and legal expenses, incurred by Secured Party to preserve and maintain the Collateral, collect any of the obligations herein described, and enforce this Security Agreement;

(e) all other obligations, indebtedness, and liabilities of Debtor to Secured Party, now existing or hereafter arising, regardless of whether such obligations, indebtedness, and liabilities are similar, dissimilar, related, unrelated, direct, indirect, fixed, contingent, primary, secondary, joint, several, or joint and several; and

(f) all extensions, renewals, and modifications of any of the foregoing.

ARTICLE II

Representations and Warranties

To induce Secured Party to enter into this Security Agreement and make extensions of credit to Debtor, except to the extent inconsistent with the circumstances under which Debtor

acquired any of the Collateral from Secured Party at a public sale held in Dallas, Texas on September 10, 1986, including without limitation existing and potential litigation relating to such sale and the events preceding or following the same and Debtor's possible inability to obtain possession of any such Collateral, Debtor represents and warrants to Secured Party that:

Section 2.01. Title. Except for the security interest granted herein and the security interest created by the Prior Security Agreement (hereinafter defined), Debtor owns, and with respect to Collateral acquired after the date hereof Debtor will own, the Collateral free and clear of any liens, security interests, or other encumbrances.

Section 2.02. Financing Statements. No financing statement, security agreement, or other lien instrument covering all or any part of the Collateral is on file in any public office, except as may have been filed in favor of Secured Party.

Section 2.03. Organization and Authority. Debtor is a corporation duly organized, validly existing, and in good standing under the laws of its state of incorporation. Debtor has the corporate power and authority to execute, deliver, and perform this Security Agreement, and the execution, delivery, and performance of this Security Agreement by Debtor have been authorized by all necessary corporate action on the part of Debtor and do not and will not violate the articles of incorporation or bylaws of Debtor and do not and will not conflict with, result in a breach of, or constitute a default under the provisions of any indenture, mortgage, deed of trust, security agreement, or other instrument or agreement pursuant to which Debtor or any of its property is bound.

Section 2.04. Principal Place of Business. The principal place of business and chief executive office of Debtor, and the office where Debtor keeps its books and records is located at the address of Debtor shown at the beginning of this Security Agreement.

Section 2.05. Location of Collateral. Upon the request of Secured Party, Debtor shall promptly advise Secured Party as to the location of the Collateral.

Section 2.06. Litigation. There is no litigation or governmental proceeding pending or threatened against Debtor or any of its properties which if adversely determined would have a material adverse effect on the Collateral or the financial condition, operations, or business of Debtor.

ARTICLE III

Covenants

Debtor covenants and agrees with Secured Party that until the Obligations are paid and performed in full, except to the extent inconsistent with the circumstances under which Debtor acquired any of the Collateral from Secured Party at a public sale held in Dallas, Texas on September 10, 1986, including without limitation existing and potential litigation relating to such sale and the events preceding or following the same and Debtor's possible inability to obtain possession of any such Collateral:

Section 3.01. Maintenance. Debtor shall maintain the Collateral in good operating condition and repair and shall not permit any waste or destruction of the Collateral or any part thereof. Debtor shall not use or permit the Collateral to be used in violation of any law or inconsistently with the terms of any policy of insurance. Debtor shall not use or permit the Collateral to be used in any manner or for any purpose that would impair the value of the Collateral or expose the Collateral to unusual risk.

Section 3.02. Encumbrances. Debtor shall not create, permit, or suffer to exist, and shall defend the Collateral against, any lien, security interest, or other encumbrance on the Collateral except security interests in favor of Secured Party, and shall defend Debtor's rights in the Collateral and Secured Party's security interest in the Collateral against the claims of all persons.

Section 3.03. Disposition of Collateral. Debtor shall not sell, lease, or otherwise dispose of the Collateral or any part thereof without the prior written consent of Secured Party, except Debtor may sell inventory in the ordinary course of business.

Section 3.04. Further Assurances. At any time and from time to time, upon the request of Secured Party, and at the sole expense of Debtor, Debtor shall promptly execute and deliver all such further instruments and documents and take such further action as Secured Party may deem necessary or desirable to preserve and perfect its security interest in the Collateral and carry out the provisions and purposes of this Security Agreement, including, without limitation, the execution and filing of such financing statements as Secured Party may require. A carbon, photographic, or other reproduction of this Security Agreement or of any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement and may be filed as a financing statement.

Section 3.05. Risk of Loss; Insurance. Debtor shall be responsible for any loss of or damage to the Collateral. Debtor shall maintain, with financially sound and reputable companies, insurance policies (i) insuring the Collateral against loss by fire, explosion, theft, and such other risks and casualties as are customarily insured against by companies engaged in the same or a similar business, and (ii) insuring Debtor and Secured Party against liability for personal injury and property damage relating to the Collateral, such policies to be in such amounts and covering such risks as are customarily insured against by companies engaged in the same or a similar business, with losses payable to Debtor and Secured Party as their respective interests may appear. All insurance with respect to the Collateral shall (i) contain a clause which provides that Secured Party's interests under the policy will not be invalidated by any act or omission of, or any breach of warranty by, the insured, or by any change in the title, ownership, or possession of the insured property, and (ii) provide that no cancellation, reduction in amount, or change in coverage thereof shall be effective unless Secured Party has received thirty (30) days prior written notice thereof. Debtor shall deliver to Secured Party copies of all insurance policies covering the Collateral or any part thereof.

Section 3.06. Inspection Rights. Debtor shall permit Secured Party and its representatives to examine or inspect the Collateral wherever located and to examine, inspect, and copy Debtor's books and records at any reasonable time and as often as Secured Party may desire.

Section 3.07. Mortgagee's and Landlord Waivers. Debtor shall cause each mortgagee of real property owned by Debtor and each landlord of real property leased by Debtor to execute and deliver instruments satisfactory in form and substance to Secured Party by which such mortgagee or landlord waives its rights, if any, in the Collateral.

Section 3.08. Taxes. Debtor agrees to pay or discharge prior to delinquency all taxes, assessments, levies, and other governmental charges imposed on it or its property, except Debtor shall not be required to pay or discharge any tax, assessment, levy, or other governmental charge if (i) the amount or validity thereof is being contested by Debtor in good faith by appropriate proceedings diligently pursued, (ii) such proceedings do not involve any danger of sale, forfeiture, or loss of the Collateral or any interest therein, and (iii) adequate reserves therefor have been established in conformity with generally accepted accounting principles.

Section 3.09. Obligations. Debtor shall duly and punctually pay and perform the Obligations, including without limitation, the obligations of Debtor under this Security Agreement.

Section 3.10. Notification. Debtor shall promptly notify Secured Party of (i) any lien, security interest, encumbrance or claim made or threatened against the Collateral, (ii) any material change in the Collateral, including without limitation, any material damage to or loss of the Collateral, and (iii) the occurrence or existence of any Event of Default (hereinafter defined) or the occurrence or existence of any condition or event that, with the giving of notice or lapse of time or both, would be an Event of Default.

Section 3.11. Corporate Changes. Debtor shall not change its name, identity, or corporate structure in any manner that might make any financing statement filed in connection with this Security Agreement seriously misleading unless Debtor shall have given Secured Party thirty (30) days' prior written notice thereof and shall have taken all action deemed necessary or desirable by Secured Party to make each financing statement not seriously misleading. Debtor shall not change its principal place of business, chief executive office, or the place where it keeps its books and records unless it shall have given Secured Party thirty (30) days' prior written notice thereof and shall have taken all action deemed necessary or desirable by Secured Party to cause its security interest in the Collateral to be perfected with the priority required by this Security Agreement.

Section 3.12. Books and Records; Information. Debtor shall keep accurate and complete books and records of the Collateral and Debtor's business and financial condition in accordance with generally accepted accounting principles consistently applied. Debtor shall from time to time at the request of Secured Party deliver to Secured Party such information regarding the Collateral and Debtor as Secured Party may request, including without limitation, lists and descriptions of the Collateral and evidence of the identity and existence of the Collateral. Debtor shall mark its books and records to reflect the security interest of Secured Party under this Security Agreement.

Section 3.13. Compliance with Agreements. Debtor shall comply in all material respects with all agreements, mortgages, deeds of trust, instruments, and other documents binding on it or affecting its properties or business.

Section 3.14. Compliance with Laws. Debtor shall comply in all material respects with all applicable laws, rules, regulations, and orders of any court or governmental authority.

ARTICLE IV

Rights of Secured Party

Section 4.01. Power of Attorney. Debtor hereby irrevocably constitutes, and appoints Secured Party and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the name of Debtor or in its own name, to take any and all action and to execute any and all documents and instruments which Secured Party at any time and from time to time deems necessary or desirable to accomplish the purposes of this Security Agreement and, without limiting the generality of the foregoing, Debtor hereby gives Secured Party the power and right on behalf of Debtor and in its own name to do any of the following, without notice to or the consent of Debtor:

(i) to demand, sue for, collect, or receive in the name of Debtor or in its own name, any money or property at any time payable or receivable on account of or in exchange for any of the Collateral and, in connection therewith, endorse checks, notes, drafts, acceptances, money orders, documents of title, or any other instruments for the payment of money under the Collateral or any policy of insurance;

(ii) to pay or discharge taxes, liens, security interests, or other encumbrances levied or placed on or threatened against the Collateral;

(iii) to send requests for verification to account debtors and other obligors;

(iv) to notify post office authorities to change the address for delivery of mail of Debtor to an address designated by Secured Party and to receive, open, and dispose of mail addressed to Debtor;

(v) (A) to direct account debtors and any other parties liable for any payment under any of the Collateral to make payment of any and all monies due and to become due thereunder directly to Secured Party or as Secured Party shall direct; (B) to receive payment of and receipt for any and all monies, claims, and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, proxies, stock powers, verifications, and notices in connection with accounts and other documents relating to the Collateral; (D) to commence and prosecute any suit, action, or proceeding at law or in

equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (E) to defend any suit, action, or proceeding brought against Debtor with respect to any Collateral; (F) to settle, compromise, or adjust any suit, action, or proceeding described above and, in connection therewith, to give such discharges or releases as Secured Party may deem appropriate; (G) to exchange any of the Collateral for other property upon any merger, consolidation, reorganization, recapitalization, or other readjustment of the issuer thereof and, in connection therewith, deposit any of the Collateral with any committee, depository, transfer agent, registrar, or other designated agency upon such terms as Secured Party may determine; (H) to add or release any guarantor, indorser, surety, or other party to any of the Collateral or the Obligations; (I) to renew, extend, or otherwise change the terms and conditions of any of the Collateral or Obligations; (J) to insure, and to make, settle, compromise, or adjust claims under any insurance policy covering, any of the Collateral; and (K) to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Secured Party were the absolute owner thereof for all purposes, and to do, at Secured Party's option and Debtor's expense, at any time, or from time to time, all acts and things which Secured Party deems necessary to protect, preserve, or realize upon the Collateral and Secured Party's security interest therein.

This power of attorney is a power coupled with an interest and shall be irrevocable. Secured Party shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges, and options expressly or implicitly granted to Secured Party in this Security Agreement, and shall not be responsible for any failure to do so or any delay in doing so. Secured Party shall not be liable for any act or omission or for any error of judgment or any mistake of fact or law in its individual capacity or in its capacity as attorney-in-fact except acts or omissions resulting from its willful misconduct. This power of attorney is conferred on Secured Party solely to protect, preserve, and realize upon its security interest in the Collateral.

Section 4.02. Performance by Secured Party of Debtor's Obligations. If Debtor fails to perform or comply with any of its agreements contained herein and Secured Party itself shall cause performance or compliance with such agreement, the expenses of Secured Party, together with interest thereon at the maximum per annum rate permitted by applicable law, shall be payable by Debtor to Secured Party on demand and shall constitute Obligations secured by this Security Agreement.

Section 4.03. Setoff; Property Held by Secured Party. Secured Party shall have the right to set off and apply against the Obligations, without notice to Debtor, any and all deposits (general or special, time or demand, provisional or final) or other sums at any time credited by or owing from Secured Party to Debtor whether or not the Obligations are then due. As additional security for the Obligations, Debtor hereby grants Secured Party a security interest in all money, instruments, and other property of Debtor now or hereafter held by Secured Party, including, without limitation, property held in safekeeping. In addition to Secured Party's right of setoff and as further security for the Obligations, Debtor hereby grants Secured Party a security interest in all deposits (general or special, time or demand, provisional or final) and other accounts of Debtor now or hereafter on deposit with or held by Secured Party and all other sums at any time credited by or owing from Secured Party to Debtor. The rights and remedies of Secured Party hereunder are in addition to other rights and remedies (including, without limitation, other rights of setoff) which Secured Party may have.

Section 4.04. Assignment by Secured Party. Secured Party may from time to time assign the Obligations and any portion thereof and/or the Collateral and any portion thereof, and the assignee shall be entitled to all of the rights and remedies of Secured Party under this Security Agreement in relation thereto.

ARTICLE V

Default

Section 5.01. Events of Default. Each of the following shall be deemed an "Event of Default":

(a) Debtor shall fail to pay when due the Obligations or any part thereof.

(b) Any representation or warranty made or deemed made by Debtor in this Security Agreement or in any certificate, report, notice, or statement furnished at any time in connection with this Security Agreement is false, misleading, or erroneous in any material respect on the date when made or deemed to have been made.

(c) Debtor shall fail to perform, observe, or comply with any covenant, agreement or term contained in this Security Agreement.

(d) Debtor shall commence a voluntary proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy,

insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or a substantial part of its property or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it or shall make a general assignment for the benefit of creditors or shall generally fail to pay its debts as they become due or shall take any corporate action to authorize any of the foregoing.

(e) An involuntary proceeding shall be commenced against Debtor seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or a substantial part of its property, and such involuntary proceeding shall remain undismissed and unstayed for a period of thirty (30) days.

(f) Debtor shall fail to discharge within a period of thirty (30) days after the commencement thereof any attachment, sequestration or similar proceeding involving an amount in excess of Ten Thousand Dollars (\$10,000.00) against any of its assets or properties.

(g) Debtor shall fail to promptly satisfy and discharge promptly any judgment or judgments against Debtor for the payment of money in an amount in excess of Ten Thousand Dollars (\$10,000.00).

(h) Debtor shall default in the payment of any indebtedness beyond any applicable grace period, or Debtor shall default in the performance of any other agreement binding upon Debtor.

(i) This Security Agreement shall cease to be in full force and effect or shall be declared null and void or the validity or enforceability thereof shall be contested or challenged by Debtor or any of its shareholders, or Debtor shall deny that it has any further liability or obligation under this Security Agreement.

(j) Secured Party shall at any time deem itself insecure or believe that the prospect of payment or performance of the Obligations or any portion thereof is impaired.

Section 5.02. Rights and Remedies. Upon the occurrence of an Event of Default, Secured Party shall have the following rights and remedies:

(i) Secured Party may declare the Obligations or any part thereof immediately due and payable, without demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, notice of intent to demand, protest, or any other notice whatsoever, all of which are hereby expressly waived by Debtor; provided, however, that upon the occurrence of an Event of Default under Section 5.01(d) or Section 5.01(e) of this Security Agreement, the Obligations shall become immediately due and payable without demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, notice of intent to demand, protest, or any other notice whatsoever, all of which are hereby expressly waived by Debtor.

(ii) In addition to all other rights and remedies granted to Secured Party in this Security Agreement and in any other instrument or agreement securing, evidencing, or relating to the Obligations or any part thereof, Secured Party shall have all of the rights and remedies of a secured party under the Uniform Commercial Code in force in the State of Texas as of the date of this Security Agreement. Without limiting the generality of the foregoing, Secured Party may (A) without demand or notice to Debtor, collect, receive, or take possession of the Collateral or any part thereof and for that purpose Secured Party may enter upon any premises on which the Collateral is located and remove the Collateral therefrom or render it inoperable, and/or (B) sell, lease, or otherwise dispose of the Collateral, or any part thereof, in one or more parcels at public or private sale or sales, at Secured Party's offices or elsewhere, for cash, on credit, or for future delivery. Upon the request of Secured Party, Debtor shall assemble the Collateral and make it available to Secured Party at any place designated by Secured Party that is reasonably convenient to Debtor and Secured Party. Debtor agrees that Secured Party shall not be obligated to give more than five (5) days written notice of the time and place of any public sale or of the time after which any private sale may take place and that such notice shall constitute reasonable notice of such matters. Debtor shall be liable for all expenses of retaking, holding, preparing for sale, or the like, and all attorneys' fees, legal expenses, and all other expenses incurred by Secured Party in connection with the collection of the Obligations and the enforcement of Secured Party's rights under this Security Agreement. Secured Party may apply proceeds of the Collateral against the Obligations in such order and manner as Secured Party may elect. Debtor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay the Obligations.

(iii) Secured Party may cause any or all of the Collateral held by it to be transferred into the name of Secured Party or the name or names of Secured Party's nominee or nominees.

(iv) Secured Party may exercise or cause to be exercised all voting rights and corporate powers in respect of the Collateral.

ARTICLE VI

Miscellaneous

Section 6.01. Expenses; Indemnification. Debtor agrees to pay on demand all costs and expenses incurred by Secured Party in connection with the preparation, negotiation, and execution of the Security Agreement and any and all amendments, modifications, and supplements hereto. Debtor agrees to pay and to hold Secured Party harmless from all excise, sales, stamp, or other taxes and all fees payable in connection with this Security Agreement or the transactions contemplated hereby, and agrees to hold Secured Party harmless from and against any and all present or future claims or liabilities with respect to or resulting from any delay by Debtor in performing its obligations under this Security Agreement.

Section 6.02. No Waiver; Cumulative Remedies. No failure on the part of Secured Party to exercise and no delay in exercising, and no course of dealing with respect to, any right, power, or privilege under this Security Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege under this Security Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided for in this Security Agreement are cumulative and not exclusive of any rights and remedies provided by law.

Section 6.03. Successors and Assigns. This Security Agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective heirs, successors, and assigns, except that Debtor may not assign any of its rights or obligations under this Security Agreement without the prior written consent of Secured Party.

Section 6.04. Amendment; Entire Agreement. This Security Agreement embodies the entire agreement among the parties hereto and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof. The provisions of this Security Agreement may be amended or waived only by an instrument in writing signed by the parties hereto. Debtor and Secured

Party acknowledge that Debtor executed an additional printed form Security Agreement ("Prior Security Agreement") dated September 10, 1986, in favor of Secured Party in connection with its purchase of part of the Collateral from Secured Party at a public sale held in Dallas, Texas on such date. Debtor and Secured Party agree that the security interest created by the Prior Security Agreement shall remain in full force and effect in accordance with its terms and that the security interest hereunder shall be in addition to (and not in novation, substitution, or discharge of) the security interest created by the Prior Security Agreement. Debtor and Secured Party further agree that to the extent the provisions of the Prior Security Agreement are inconsistent in any respect with the provisions of this Security Agreement, the provisions of this Security Agreement shall control the resolution of any issue hereunder or thereunder.

Section 6.05. Notices. Any notice, consent, or other communication required or permitted to be given under this Security Agreement to Secured Party or Debtor must be in writing and delivered in person or mailed by registered or certified mail, return receipt requested, postage prepaid, as follows:

To Secured Party: MBank Dallas, National Association
P.O. Box 225415
Dallas, Texas 75265
Attention: L. Quincy McPherson

To Debtor: Midwest Propane Corporation
P.O. Box 191
Kilgore, Texas 75087
Attention: Ruben S. Martin, III
President

Any such notice, consent, or other communication shall be deemed given when delivered in person or, if mailed, when duly deposited in the mails.

Section 6.06. Applicable Law. This Security Agreement shall be deemed to have been made and to be performable in Dallas, Dallas County, Texas, and shall be governed by and construed in accordance with the laws of the State of Texas.

Section 6.07. Headings. The headings, captions, and arrangements used in this Security Agreement are for convenience only and shall not affect the interpretation of this Security Agreement.

Section 6.08. Survival of Representations and Warranties. All representations and warranties made in this Security Agreement or in any certificate delivered pursuant hereto shall

survive the execution and delivery of this Security Agreement, and no investigation by Secured Party shall affect the representations and warranties or the right of Secured Party to rely upon them.

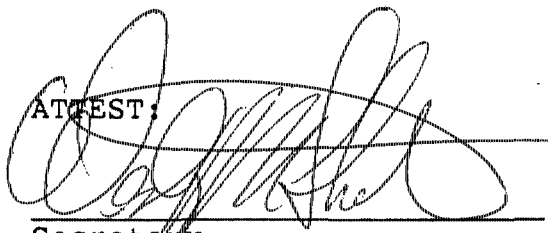
Section 6.08. Counterparts. This Security Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 6.09. Waiver of Bond. In the event Secured Party seeks to take possession of any or all of the Collateral by judicial process, Debtor hereby irrevocably waives any bonds and any surety or security relating thereto that may be required by applicable law as an incident to such possession, and waives any demand for possession prior to the commencement of any such suit or action.

Section 6.10. Severability. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Security Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement as of the day and year first written above.

ATTEST:


Secretary

[S E A L]

DEBTOR:

MIDWEST PROPANE CORPORATION,
a Texas Corporation

By: 

Ruben S. Martin, III
President

SECURED PARTY:

ATTEST:

MBANK DALLAS, NATIONAL ASSOCIATION

Wilton D. Page
Cashier VICE PRESIDENT

By: [Signature]
Title: Chairman of the Board

[S E A L]

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

On this 18th day of November, 1986, before me personally appeared, RUBEN S. MARTIN, III, to me personally known, who being by me duly sworn, says that he is the President of MIDWEST PROPANE CORPORATION, a Texas corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by the authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Naomi Kent
Notary Public

My Commission Expires:

Print Name: Naomi Kent

6/4/90

[S E A L]

STATE OF Texas §
COUNTY OF Dallas §

On this 25th day of November, 1986, before me personally appeared, L. QUINCY MCPHERSON, to me personally known, who being by me duly sworn says that he is the Chairman, Asset Management Group I, of MBANK DALLAS, NATIONAL ASSOCIATION, a national banking association, that the seal affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Shelley K. Baker
Notary Public

Print Name: Shelley K. Baker

My Commission Expires:

12-6-89

[S E A L]

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SECURITY AGREEMENT

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EXHIBIT "A"

BRKX#1	BRKX#14	BRKX#727
BRKX#2	BRKX#125	BRKX#737
BRKX#3	BRKX#126	BRKX#747
BRKX#4	BRKX#127	BRKX#767
BRKX#5	BRKX#128	BRKX#770
BRKX#6	BRKX#218	BRKX#771
BRKX#7	BRKX#221	BRKX#772
BRKX#8	BRKX#226	BRKX#773
BRKX#9	BRKX#232	BRKX#774
BRKX#10	BRKX#235	BRKX#775
BRKX#11	BRKX#707	BRKX#776
BRKX#12	BRKX#717	BRKX#778
BRKX#13		

398:D100886CC.00